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FISCAL IMPACT STATEMENT

LS 7790

BILL NUMBER: SB 371

NOTE PREPARED: Feb 18, 2005

BILL AMENDED: Feb 17, 2005

SUBJECT: Consolidation of Professional Standards Board.

FIRST AUTHOR: Sen. Kenley

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) The bill provides that the Department of Education (the Department) rather than the Professional Standards Board (the Board) governs education, licensing, and professional development of teachers. The bill establishes a division within the Department to administer these functions. The bill changes the current Professional Standards Board into an advisory board to advise the State Superintendent of Public Instruction, the State Board of Education, and the Division of Professional Standards. The bill provides that the Advisory Board has rule-making authority. The bill establishes a fund to receive fee revenue. The bill provides for use of the fund for program administration. The bill repeals a redundant section and adds transitional provisions.

Effective Date: July 1, 2005.

Explanation of State Expenditures: (Revised) *Summary:* The impact to state expenditures is expected to be minimal and will depend on the administrative actions taken by the Department of Education in order to implement this proposal.

Under the bill, the following would be transferred from the Professional Standards Board to the Department: all real and personal property of the Board; all powers, duties, assets, and liabilities of the Board; and all appropriations to the Board.

The Indiana General Assembly appropriated \$6.8 M to the Professional Standards Board for administration and programs and \$443,900 for teacher licensing in FY 2005. For FY 2005, the Board had 39 full-time, one temporary, and an intermittent funded positions. As of November 2004, the Board had 34 filled positions. Of

these positions, 30 employees were full-time and 4 were on leave.

The bill would allow the 19 members of the Professional Standards Board to be transferred into the Advisory Board for the Division of Professional Standards within the Department of Education (the Advisory Board). The members of the Advisory Board would receive the same per diem, travel reimbursement, and payment for services rendered in relation to direct duties to the Advisory Board. Under the bill, the Superintendent of Public Instruction would appoint the director of the Advisory Board. The Advisory Board would be given rule making authority (with the approval of the Superintendent of Public Instruction) to set standards for teacher licensing and the administration of a professional licensing and certification process.

The bill would also establish the Division of Professional Standards within the Department. The Division would essentially assume the duties of the Professional Standards Board.

The bill creates the Professional Standards Fund which would consist of fee revenue. The Fund would be administered by the Department of Education. Money in the Fund would not revert to the state General Fund at the end of the state fiscal year. The Department would use the Fund revenue for the administrative expenses to carry out the provisions of the bill.

Background: The Professional Standards Board was established by P.L. 46-1992 to train, license, and professionally develop teachers, school superintendents, and school psychologists. The Board also holds hearings and has the power to revoke the license of a licensed individual. Prior to 1992, the State Board of Education via the Department, held the responsibility for licensing of teachers.

Explanation of State Revenues: *Summary:* Under the bill, the fee revenue for teacher licensing would be placed into the Professional Standards Fund, and no longer placed into the Professional Standards Board Licensing Fund established by P.L. 224-2003.

Background: Under current law, fee revenue for teacher licensing is deposited into the Professional Standards Board Licensing Fund. Effective January 1, 2002, teacher license fees are \$35. The limited license fee is \$35, and the fee for a substitute certificate is \$15. In FY 2004 the Board collected \$1.07 M in teacher license revenue. Licensing revenue currently placed in the Professional Standards Board Licensing Fund is used by the Board to carry out their duties under statute.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Board of Education, Department of Education, Professional Standards Board.

Local Agencies Affected:

Information Sources: Bob Hill, Professional Standards Board; State of Indiana, *List of Appropriations July 1, 2003, to June 30, 2005*; State of Indiana, *HRM Detail Staffing Report November 4, 2004*; Indiana State Budget Agency: BUDSTARS; *Indiana Handbook of Taxes, Revenue, and Appropriations FY 2004*.

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